

**GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:145
ANSWERED ON:05.07.2004
SPECIAL PACKAGE FOR SETTING UP FPIS
Bwiswmuthiary Shri Sansuma Khunggur

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

- (a) whether the Government proposes to initiate special package for setting up viable Food Processing Industries in backward and neglected Tribal areas across the country including Assam so as to generate employment opportunities for the unemployed tribal youths;
- (b) if so, the details of the actions taken so far in this regard;
- (c) if not, the reasons therefor;
- (d) whether the Government has taken any initiatives to provide exemption from Central Excise, Sales Tax and Service Tax etc. to help the entrepreneurs and the industrial units of the North-Eastern Region;
- (e) if so, the details of the actions taken so far in this regard; and
- (f) if not, reasons therefor?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHA)

(a) & (b): Under the Plan scheme of the Ministry of Food Processing Industries, financial assistance in the form of grant is provided for establishment, modernisation etc. of food processing industries as part of project cost, besides other schemes to promote food processing industries. The Plan Scheme envisages a higher quantum of assistance in respect of projects in the "difficult areas" which includes North Eastern States, Uttranchal, Jammu and Kashmir, Himachal Pradesh, Sikkim, Andaman & Nicobar islands, Lakshdweep and Integrated Tribal Development Project (ITDP) areas.

Enhanced quantum of assistance is given to Integrated Tribal Development Project areas. Financial assistance in the form of grant for projects of these areas is available upto 33-1/3% of the cost of Plant and Machinery and technical civil works subject to a maximum of Rs. 75 lakhs. While there is no specific allocation or package for tribal area, 10% of the annual plan budget of the Ministry is spent for North Eastern Region including Assam.

The Government has approved a Technology Mission for integrated development of Horticulture in North-Eastern States alongwith other difficult areas. The Technology Mission has four Mini Missions. Mini Mission IV being coordinated by this Ministry aims to develop processing of horticulture produce by assisting new processing industries and modernisation of existing industries. Assistance under Mini Mission IV to food processing industries in the horticulture sector allows them access to higher level of subsidies, as compared to the rest of the country.

(c) to (f): The Government has rationalised the tax structure and brought down Central Excise Duty on processed fruits and vegetables to zero.